

Message Text

PAGE 01 STATE 165856

21

ORIGIN XMB-04

INFO OCT-01 ISO-00 EB-07 ARA-10 COME-00 TRSE-00 OMB-01

CIAE-00 INR-07 NSAE-00 AID-05 /035 R

66605

DRAFTED BY XMB:T.P.DOUGHTY/AA

APPROVED BY EB/OCA/CM:EMCKEON

XMB:EJO'CONNOR,VPLATIN AMERICA

XMB:WWGLICK ACTING EXECUTIVE VP

EB/IFD/ODF:RASWART

ARA:EP:FBCORRY

----- 062134

R 151605Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY LIMA

UNCLAS STATE 165856

E. O. 11652: N/A

TAGS: EGEN

SUBJECT: CHIMBOTE STEEL EXPANSION

REF: (A) LIMA 5042 AND (B) A-286

1. EXIMBANK HAS RECEIVED A REQUEST FROM MITSUBISHI INTERNATIONAL CORPORATION, NEW YORK, FOR AN EXPRESSION OF INTEREST IN PROVIDING FINANCING FOR SIDERPERU FOR THE PURCHASE OF U.S. GOODS AND RELATED SERVICES, HAVING AN ESTIMATED VALUE OF ABOUT \$30 MILLION, FOR THE INSTALLATION OF A COKE PLANT AT CHIMBOTE. MITSUBISHI INTERNATIONAL PURPOSES TO MAKE A TURNKEY PROPOSAL TO SUPPLY AND INSTALL THE COKE PLANT, AND IF EXIMBANK FINANCING WERE FORTHCOMING MITSUBISHI WOULD LOOK TO U.S. BUILDERS OF COKE OVEN PLANTS, SUCH AS KOPPERS OR WILPUTT, FOR THE SUPPLY OF THE PLANT FROM THE U.S. IN ITS REQUEST MITSUBISHI STATES THAT THE COKE PLANT "IS PART OF AN EXTENSIVE EXPANSION PROGRAM WHICH INCLUDES A BLAST FURNACE, COLD ROLLING MILL, ADDITIONAL PROCESSING LINES, ETC."N AND ADDS "THE COKE PLANT IS THE ONLY FACILITY SO FAR TO BE GIVEN THE 'GREEN LIGHT' TO GO AHEAD".
UNCLASSIFIED

PAGE 02 STATE 165856

2. PERU'S PLANS FOR THE VERY LARGE EXPANSION OF CHIMBOTE, AND THE ESTIMATED COST OF THE EXPANSION, ARE WELL KNOWN TO EXIMBANK. UP TO THE PRESENT EXIMBANK HAS BELIEVED THAT A VERY LARGE AMOUNT OF ADDITIONAL PLANNING, WITH THE BEST PRE-CONSTRUCTION

PROFESSIONAL ADVICE AND EXPERT ASSISTANCE AVAILABLE, WOULD BE NECESSARY BEFORE SIDERPERU WOULD BE IN A POSITION TO DETERMINE DEFINITELY THE COURSE AND TIMING OF THE EXPANSION AND TO LOOK SERIOUSLY FOR FIRM OFFERS OF SUPPLY ACCOMPANIED BY FINANCING PROPOSALS. EXIMBANK INFERS FROM REF (A) THAT SIDERPERU IS STILL FLOUNDERING AND THAT A USEFUL MANAGEMENT ROLE MAY BE PLAYED AT THIS TIME BY AN OUTSIDE CONSULTANT.

3. IN GENERAL, EXIMBANK'S RESPONSE TO THE FEW DIRECT INQUIRIES BY U.S. SUPPLIERS ABOUT FINANCING ONE OR ANOTHER ELEMENT OF THE CHIMBOTE EXPANSION HAS BEEN TO THE EFFECT THAT THE PLAN IS TOO AMORPHOUS AT PRESENT FOR SERIOUS CONSIDERATION. WHILE EXIMBANK HAS NOT FORECLOSED THE POSSIBILITY OF EVENTUALLY ASSISTING U.S. SUPPLIERS IN FINANCING ONE OR ANOTHER ELEMENT OF SUPPLY TO CHIMBOTE, EXIMBANK DOES NOT BELIEVE THAT IT SHOULD BE ANY MORE FORTHCOMING AT THIS POINT TO MITSUBISHI THAN IT HAS BEEN TO U.S. BUILDERS AND SUPPLIERS (WHICH MITSUBISHI IS NOT).

4. EXIMBANK WOULD APPRECIATE HAVING THE EMBASSY'S COMMENTS ON THE EFFORTS OF SIDERPERU TO GO AHEAD NOW WITH PLANS FOR THE COKE PLANT AT THIS STAGE IN THE PLANNING FOR CHIMBOTE'S EXPANSION. INGERSOLL

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, DEVELOPMENT LOANS, STEEL PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE165856
Document Source: ADS
Document Unique ID: 00
Drafter: XMB:T.P.DOUGHTY/AA
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750245-0184
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197507105/baaaapgt.tel
Line Count: 79
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 12 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 FEB 2003 by ThomasVJ>; APPROVED <18 MAR 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: EFIN, PE, XMB, MITSUBISHI INTERNATIONAL CORP, SIDERPERU
To: LIMA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006